

April 20, 2011

Ms. Marlene H. Dortch
Secretary
The Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Request to include the Internet Innovation Alliance's public statement on the combination of AT&T/T-Mobile in the FCC's docket

Dear Ms. Dortch,

For the past seven years the Internet Innovation Alliance has worked to promote policies that ensure every American, regardless of race, income or geography, has access to the benefits of broadband. We have consistently looked to innovations in the marketplace – new goods, new services, new business offerings and combinations, rather than government actions – to address the persistent challenges to availability and adoption, and we believe the extraordinary technological developments of the past decade have justified our confidence in the nation's innovators and entrepreneurs. Consistent with our goal, philosophy and history, we request that our attached release supporting the combination of AT&T and T-Mobile be included in the FCC's WT: 11-65 proceeding.

In short, we are confident that the combined resources of AT&T and T-Mobile would be good for consumers, innovation-enabling and positive for the economy, because:

- An additional 46.5 million Americans will be reached with 4G LTE, the fourth generation of wireless technology.
- Such combinations are essential market-based solutions to the persistent capacity crunch potentially limiting the ability of wireless providers to meet consumers' expectations and innovators' needs.
- The billions of additional investment to provide wireless connectivity to 1.2 million more square miles will stimulate job creation in small, rural communities.
- Voice and data network performance will be improved across the U.S., particularly in spectrum-challenged markets.
- Such combinations in the fast-moving and highly competitive wireless data marketplace have heretofore encouraged innovation, rather than higher prices. In fact, according to a 2010 U.S. GAO report, U.S. wireless prices consistently fell throughout the past decade as wireless carriers combined and realized efficiencies and critical mass of spectrum.
- Notable academics and analysts have said that the combined companies would be able to elevate competition in a way that is particularly beneficial for underserved and rural areas, providing an alternative to wireline Internet connectivity.

We appreciate the Commission taking these views into consideration and look forward to additional opportunities to offer thoughts, recommendations and feedback.

Sincerely,

A handwritten signature in black ink, appearing to read 'BM', followed by a long horizontal flourish.

Bruce Mehlman

CC:

Chairman Julius Genachowski

Commissioner Michael J. Copps

Commissioner Robert M. McDowell

Commissioner Mignon Clyburn

Commissioner Meredith Attwell Baker

Rick Kaplan, Chief Counsel and Senior Legal Advisor for Chairman Genachowski

John Giusti, Chief of Staff and Legal Advisor for Wireless, Public Safety and International for
Commissioner Copps

Angela E. Giancarlo, Chief of Staff and Senior Legal Advisor, Wireless & International for
Commissioner McDowell

Louis Peraertz, Legal Advisor, Wireless, International, and Public Safety for Commissioner
Clyburn

Charles Mathias, Senior Legal Advisor, Wireless, International and Public Safety Issues for
Commissioner Baker



IIA Sees Positive Effects of Combined AT&T & T-Mobile for Consumers and Economy

Merger may be key to increasing broadband availability and access in underserved and rural areas

WASHINGTON, D.C. – April 8, 2011 – The consumer and economic benefits of AT&T Inc.’s merger agreement with T-Mobile USA appear likely to significantly boost efforts to achieve universal broadband access by making next generation wireless Internet available to 95 percent of all Americans, the Internet Innovation Alliance (IIA) announced today. Founded in 2004, the IIA is a broad-based coalition supporting public policies that harness the power of innovators and the market to bring broadband to all Americans including the underserved, communities of color and citizens in rural areas.

While the majority of consumers can already choose between five or more wireless telephony providers, consumers in small, rural communities often have fewer options for broadband Internet connectivity. The combined companies would be able to elevate competition in a way that is particularly beneficial for underserved and rural areas according to Larry Downes, consultant and author on technology, strategy and the law:

By bringing together complementary spectrum from AT&T and T-Mobile, the combined entity will be able to compete more effectively with Verizon in the 4G space, improve overall network performance, and speed up what the Justice Department described as "encouraging signs" that mobile is beginning to compete effectively with wireline service.

Based on reports from industry experts and analysts, IIA believes the consolidation of the combined companies’ resources will be key to reaching President Obama’s stated goal to “connect every part of America to the digital age,” which will drive economic growth, job creation and investment. According to the merging parties (including IIA member AT&T), the deal will enable the company to cover an additional 1.2 million square miles with 4G Long Term Evolution (LTE), bringing a new high-speed access option to 45 million more Americans than either company had plans to cover on its own.

As stated by the National Association for the Advancement of Colored People (NAACP):

Based on AT&T’s commitment to expand its high speed wireless technology to 294 million Americans or 95% of the U.S. population, including rural and smaller communities, this acquisition has the tremendous potential of dramatically reducing the economic and technological barriers that exist in under-served, rural and low-income urban areas.

Also, with mobile data traffic growing exponentially due to the explosive demand for mobile devices, apps and content, spectrum scarcity may be the biggest challenge for entrepreneurs, innovators and policy makers in the coming decade. IIA is confident that the merger would meaningfully relieve exaflood challenges to network capacity by increasing spectrum efficiencies and aggregation, improving voice and data services, particularly in spectrum-challenged markets.

“Throughout its history, the IIA has sought to identify policies and market solutions to cope with the exponential explosion of digital data, or exaflood, that enables terrific innovations but strains existing broadband networks,” explained IIA Co-Chair Bruce Mehlman. “This proposed combination of entrepreneurial players would seem to offer a quick and helpful fix for the spectrum crunch that jeopardizes our global leadership.”

Added Mehlman, “Consumers and policymakers alike should understand that this merger fits into a dynamic telecom marketplace that has long been highly innovative, rapidly evolving and incredibly beneficial to consumers and our economy. U.S. wireless prices consistently fell throughout the past decade as wireless carriers combined and realized efficiencies and critical mass of spectrum, according to the 2010 U.S. GAO Report.”

IIA believes mergers such as this will pave the way for the next phase of American innovation and continued growth of our country’s high tech industry. German-owned T-Mobile – the only major foreign-controlled U.S. telecom network – becoming part of a U.S.-based company with a technologically compatible spectrum position and network offers an efficient solution for strengthening and expanding U.S. mobile broadband infrastructure.

As captured by analyst Tim Horan of investment bank Oppenheimer:

[AT&]T is buying a German company that would be struggling for the next five years without new spectrum to roll out 4G services. This deal would be consistent with the Administration's goal to increase broadband coverage in the US.

The IIA includes members such as Alcatel Lucent, AT&T, Ciena, The National Black Chamber of Commerce and The National Grange. For a full list of members and more information, visit <http://www.internetinnovation.org/>.

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About The Internet Innovation Alliance

The Internet Innovation Alliance is a broad-based coalition supporting broadband availability and access for all Americans and increased mobile connectivity for the underserved and rural communities. It aims to ensure every American, regardless of race, income or geography, has access to the critical tool that is broadband Internet. The IIA seeks to promote public policies that support equal opportunity for universal broadband availability and adoption so that everyone, everywhere can take advantage of the benefits of the Internet – from education to health care, employment, community building, civic engagement and beyond.

For more information contact:

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